

## **ROLE OF COMMITMENT OF EMPLOYEES AND MANAGERIAL COMPETENCE IN EMPOWERING EMPLOYEES IN EFFORTS TO IMPROVE OF IKM PERFORMANCE AT MENADO CITY**

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### **ABSTRACT**

*In an effort to improve the quality of human resources is programmed can be designed through changing patterns of human resource management that is more oriented strategy and promoting investment in human capital investment. Furthermore, the authors conducted research with the aim to elucidate the role of organizational commitment and managerial competence to the empowerment of the workforce in improving the performance of SMEs.*

*This research uses descriptive qualitative research method. and as a subject in this research is using informants. Technical of sampling used with purposive sampling.*

*The results of this study indicate that managerial competence Affects the business performance in the CV industry. Gloria Furniture. The level of education the which the majority of high school and college, mature age and working lives long enough to make-seasoned managers so that more competent and professional in managing the business.*

**Keywords:** commitment, competence, empowerment of employees' performance

### **INTRODUCTION**

Improving the quality of human resources is programmed can be designed through changing patterns of human resource management strategy -oriented and promote investment in the field of HR (human capital investment) . Human resource management is a complex issue that needs serious attention of small and medium industries . Attention to human resources factor becomes more preferred is to make the employees as resources are more helpless. This is intended to achieve compatibility between individual goals of employees with the goals of the organization or company . One of the efforts of managers clafam mewujudkan human resource empowerment is mernungkinkan their various work completed by the team to facilitate the collaborative nature of the relationship . This is intended to enable the emergence of ideas reflecting the aspirations of employees so as to encourage the development of the organization

Some of the initial survey was conducted by researchers of the 30 units of SMEs can be seen in Table 1.

**Table 1. Management Commitment**

No	Indicators research items	Business Unit	Freq (%)
1	Willingness to give rewards	6	20.00
2	Providing opportunities developing subordinates	4	13.00
3	Do justice to subordinate	5	17.00
4	Attempting to provide adequate working facilities	4	13.00
5	Always provide clear career path	6	20.00
6	Fostering a climate of mutual trust	5	17.00
Total		30	100.00

Source : Processing of survey data ( 2015)

Based on Table 1., can disimpulkan that the average indicator is still relatively low management commitment to the empowerment of employees .

Commitment to implement the company's strategy is organizational commitment according to Dessler (2013) has the meaning as the seriousness of each individual to his involvement in the activities of the organization .

This is based on our observations in visiting some of the SMEs in the city of Manado and now there live nameplate IKM but the activity is not there anymore . This is what makes me interested to examine in greater depth the phenomenon of the SMEs in North Sulawesi . Actually, besides the low quality of human resources also affects managerial competence can also be seen in Table 2. below

**Table 2 . Managerial Competence**

No	Indicators research items	Business Unit	Freq (%)
1	Strong communication	4	13.33
2	Have the ability to solve problems	2	6.67
3	Inviting subordinate result oriented	2	6.67
4	Interpersonal skills	6	20.00
5	Having the ability to lead	4	13.33
6	Have the ability to adapt the environment	3	10.00
7	Having the ability to teamwork	5	16.67
8	As an individual who can be trusted	2	6.67
9	Focusing on the quality of work	4	13.33
Total		30	100.00

Source : Processing of survey data ( 2015)

As for the empowerment of employees themselves based on the survey results can be seen in Table 3. below

**Table.3 . Employee Empowerment**

No	Indicators research items	Business Unit	Freq (%)
1	Always be prepared to be held accountable	6	20.00
2	Able to work independently without control	7	23.33
3	Having the ability to excel	8	26.67
4	Have professional skills	4	13.33
5	Adaptable to any changes	5	16.67
Total		30	100.00

Source : Processing of survey data ( 2015)

## LITERATURE REVIEW

### Employee commitment

Marshall . (2010 ) that employee commitment is strong recognition and engagement of a person in a particular organization . Sutrisno (2012 : 151 ) states that the commitment is the nature of the relationship of an individual with the organization as well as exhibit the following characteristics : ( 1 ) receive values - values and goals of the organization , ( 2 ) have the desire to do for the organization , and ( 3 ) have a strong desire to remain with the organization . Robbins and Judge (2010 : 78 ) , committed employees is a business involved in the company and there is no desire to leave it. Armstrong ( 2012). Commitments generally interpreted as a gesture that shows employee loyalty and an ongoing process of how a company employee to express their concerns to the company's success and goodness . According to Ali et al . (2010 ) , the actual commitment of the employees is the degree to which an employee identifies with the company and its objectives and the desire to maintain membership in the company . Steers and Porter in Oktorita (2013) employee commitment to the company there are three aspects , namely : ( 1 ) a definite confidence and full acceptance of the values and objectives of the company ; ( 2 ) a desire to exert every effort in the interest of the company; ( 3 ) an impetus and a strong desire to go beyond passive loyalty , employee commitment .Indikator : the indicators used in this study is based on indicators developed by Mowdayet et al . (1983 ) in Robbins (2011 ) , namely : ( 1 ) . Strong desire remains as a member , ( 2 ) the desire to great lengths to work and ( 3 ) Acceptance of the values and goals of the company.

### Managerial competence

According to (Bhardwaj and Punia, 2013), competencies that must be owned by the manager include: communication skills, team-working, proactiveness, vision, self-management, results-orientation, strategy-oriented, ambition, perseverance, Observers nine decisions, risk taking and creativity. Managerial competence are classified into 82 groups of competence, after the data processed by factor analysis of the obtained 7 factors competencies required of managers, among others: (1) the ability to analyze, (2) decision-making, (3) knowledge, (4) the adaptation, (5) performance, (6) leadership, and (7) communication (Khoshouei et al., 2013)

There are four indicators that can be used to measure the competence, among others: (1) needs assistance through, (2) exemplary, (3) additional choices, (4) not applicable and do not know (Dobbins, 2002, in Wirda and Azra, 2015 )

Managerial competencies required in countries experiencing economic turmoil such as Lithuania, Latvia, Cyprus and Bulgaria are: (1) self-management competencies, (2) business management competencies and (3) the management competence (Savanevičienė et al., 2014) . Temuan provide managerial implications and strategic recommendations for employers, owners, managers, and policy makers in SME (Trivellas and Reklitis, 2014)

### **Employee empowerment**

Noe et al. (2013) memberikan notion of empowerment as employees responsibility and authority to make-decisions'. Empowerment has the intent that employees are given the responsibility and the confidence to make decisions. While Ford and Fottler (1995) had previously said that "empowerment Came from having the authority to do something about problems employees faced while doing the job. Essentially, empowerment Involved passing decision-making authority and responsibility from managers to employees".

Howard (1996) in Hickman (2013) mentions the importance of employee empowerment process with the statement that 'empowerment forms the backbone of many approaches to orgarlizational change'. Thus the importance of this empowerment process. that is considered as the backbone of any changes made by the organization ..

According Offermann in Hickman (2013), there are three things that need to be considered in the process of empowerment of employees to the formation of employee keterberdayaan conditions can be realized, namely: (1) the readiness of employees and (2) the cultural factors

### **Managerial performance**

Managerial performance by Wibowo in Joseph (2013) is a means to get better results from the organization , the team and invidu how to understand and manage the performance based objectives, standards , and requirements agreed . Managerial performance can be defined as the level of achievement of the implementation of the organization's activities . According to Jusuf (2013) managerial is important in an organization because it has the function of ensuring that the input of various resources of the organization will produce output that terancang fast and able to satisfy customers .

According to Maulana Robbins et al . ( 2015) revealed that the employee's performance can be affected by : ( 1 ) the fundamentals of individual behavior that includes characteristic biographical , abilities and learning , ( 2 ) values, attitudes and job satisfaction , ( 3 ) commitments , ( 4 ) the perception and decision-making individual , and ( 5 ) motivation.

## **RESEARCH METHODS**

This research uses descriptive qualitative research method. According Moleong (2012: 4) qualitative research is a research procedure that produces descriptive data in the form of words written or spoken of people and behaviors that can be observed.

### **Research subject**

Understanding the subjects in the study concept according Moleong (2012: 132) is a person on the background of the research used to provide information about the circumstances of the setting. In determining the informant study, researchers menggunakann purposive sampling, which is chosen with consideration and specific purposes (Sugiyono 2014: 299). Understanding

purposively according Bungin (2012: 107) is a decisive strategy informants by determining the group of participants who become informants in accordance with the selected criteria relevant. There are three kinds of informants selected by the researchers, including the owners of SMEs, an expert in human resources, SMEs and consumers. The subjects were informants who meet the following criteria: (1) expert human resources, (2) an expert in the field of human resources who are already working in the field less than 5 years, (3) Company owner IKM, (4) the company's employees SMEs who have worked at least one year

### **Method of collecting data**

A study requires a number of data which will be processed and analyzed in order to be a result. Data definition is a description of an object of research (Bungin 2013: 123). The data used in this study are primary data and secondary data were collected through interviews and documentation obtained from informants.

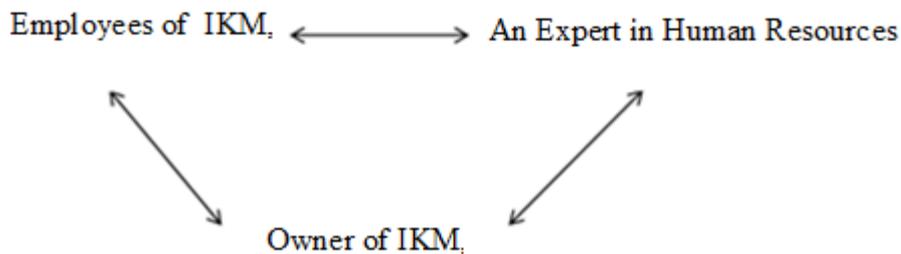
### **Validity and Reliability**

According Kuncoro (2013: 175, the sense of reliability is the consistency and stability of a score (scale of measurement).

In this study, triangulation is used to check the validity and reliability. Triangulation according to the Sugiyono Wiersma (2014) is checking data from various sources in various ways, and various times. There are 3 kinds of triangulation according Sugiyono (2014): (1) triangulation, (2) triangulation technique, and (3) the triangulation of time.

In this study, researchers used a triangulation of sources to check the validity of utilizing different sources to conduct an examination of the data obtained.

Here is a picture triangulation of data sources IKM.



**Figure 1. Triangulation of data sources**  
Source : Sugiyono ( 2014 )

Based on the concept of data analysis by Miles and Huberman in Sugiyono ( 2014 ), the analysis of data in this study are as follows :

1. Researchers will collect data
2. Data were obtained by interviews will be conducted perform data reduction and data classification by classifying variable employee commitment and managerial competencies .

3. The data has been classified , associated with the theory of employee commitment and managerial competencies
4. To display the data that has been classified and analysis of data display
5. The conclusions how big a role the commitment of employees and managerial competencies of SMEs

## **RESULT AND DISCUSSION**

### **Research result**

The data in this study are obtained through interviews to 3 resource persons / informants owner of the company, employee and HR specialists) While the results of interviews and profiles of the informant will be outlined as follows:

1. Sources / informant first as an employee (BOY), namely Bobby Ottay as employee CV. of Gloria Furniture
2. Sources / second informant as the owner of the company (DTY), Mr Darius Tinggogoy as the owner / owner CV. of Gloria Furniture.
3. Sources / third informant as HR expert (TNA), Mrs. Dr. Tina Melinda, MM. Pascasrajana Lecturer University of Ciputra Surabaya.

### **Role of Employee Commitment In Effort to Improvement SME of Firm Performance.**

Employee commitment is the relative strength of the individual in identifying integrating themselves into parts of the organization. It can be characterized by three things:

1. Acceptance of the values and organizational review
2. The readiness and willingness to strive earnestly on behalf of the company.
3. The desire to maintain membership in the company (Mowday.1982: 27)

According Teers (1985: 50) The commitment of the employees are:

1. Sense of identification that confidence in the values of the Organization
2. Involvement ie willingness to try as best as possible for the Organization kepetingan
3. Loyalty namely the desire to remain a member of the Organization

As explained by Mr. Bobby as employees of CV of Gloria Furniture follows: comment on Mr. Bobby as employee commitment to the company, waaa .. These questions are quite tricky, but it does not matter researchers will try to leave a comment. Actually, judging from past research work already 11 years past 3 months, many ups and downs of researchers working in this company. Especially if you often go home tonight and writers feel less there one year, due to the company's in house research about 13 KM far enough, and when the researcher does not have their own vehicle and still ride public transportation. And becoming researchers still like to work here is because the owner of the company so has the understanding of the employee so that eventually we raised a sense of realizing or understanding as such we are committed to the company. Therefore one another there is mutual understanding so as to create "a comfortable working atmosphere and creates a feeling of high loyalty to the company.". At first I could develop the knowledge and researcher can operate the production company because I worked here, right quite a long 11 years of experience, so that I can I can operate production companies, researchers also are asking more senior employee, automatic knowledge I can make more. (IKO-BOY)

**Role of Managerial Competence In Effort Performance Enhancing SME Company .**

As a description of one of the employees CV. of. Gloria Furniture as follows : the original purpose of working on the CV. of Gloria Furniture is to increase the quality and product quality so that products produced by SMEs The production company did not lose quality with products that notabennya large-scale industry and the selling power is not inferior to large-scale production . Comments about the quality of the product and the price offered during this time is not inferior to products produced by large-scale industries since our company prioritizes quality , because we try to give satisfaction to the customer , and in terms of price could be considered very affordable for the target market, we are consumers of the lower middle class . While demand increased pasarpun passable because consumers usually hunt IKM product because the price is relatively affordable . ( IKO- DTY )

**Managerial Implications .**

**Table 4. Implications of Employee Commitment Managerial Role In Efforts to Improve Corporate Performance IKM**

Prior Research	Before Research
Employee involvement in the operation of the company is lower banned when the company was recently founded	Employee engagement should not only be in accordance with his job description , but should be able to help other employees who are skilled in the art . Their sense of community is expected to improve also the performance of the company .
Awareness of employees to carry out their duties in the company's lower than when the company was recently founded	Awareness level employees can -kan by strengthening the psychological attachment to the company as a feeling of belonging , and to improve communication and collaboration between employees in completing a job . In addition , also needed a high tolerance for skills which every employee is different. Thus , the performance perusahaanl expected to increase, because it does not make an employee feel better or make other employees feel excluded because of differences in the skill
The commitment of employees to carry	Job desc . strong law, so that every

out their duties lower than when the company was recently founded	employee will actually understand their rights and obligations as an employee . In addition , it is important that employees have individual consciousness that perusa pany should go well .
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**Table 5. Managerial Implications Managerial Competence Role In Efforts to Improve Corporate Performance IKM**

Prior Research	Before Research
At first the company's performance tends to decline ( turnover ) due to employee commitment is still very low and between the employees and the owners have not understanding	Because the owners have a mutual understanding and the employees' lot included training / training and previous work in sub- kan, but now sedikt by little a lot of work themselves thus the turnover to be increased , so as to improve company performance
Lack of ability owners in improving the managerial competence of employees .	The owners have come to realize that employees need training / training according to the needs of the company, so that each employee can work optimlaly .
During this knowledge gained from employees most of the viewing experience by working employees who had worked beforehand .	The owners are already planning investment and has given a training schedule with materials that are considered priorities, namely the ability and skill in operasioanl soft skills

Source : Processing of survey data ( 2015)

## CONCLUSION AND SUGGESTIONS

### Conclusion

Research results also showed that the competence of managerial influence on business performance in the CV industry. Gloria Furniture. The level of education which the majority of high school and college, mature age and working lives long enough to make seasoned managers so that a more competent and professional in managing their business, which in turn affect the business performance and the Company SMEs can be expanded in the areas of marketing, even impossible can reach International markets

### Suggestion

IKM Company's success is inseparable from the attention of the business, intelectual and government or also known as the Triple Helix.

To improve managerial competence, especially the skill and knowledge required maximum attention of Triple Helix through coaching / or training, so that businesses small and medium industries have sufficient knowledge to address the challenges of the external environment that pose a threat if not addressed properly.

Suggestions for further research in order to develop or add other variables, namely: professional growth indicators: (1) reaction, (2) learning, (3) behavior and actions, and (4) results

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